Nov. 30, 2007

Microsoft Financing may enable businesses to receive immediate tax benefits the first year of acquisition

Internal Revenue Code Section 179 may allow businesses to immediately write off the expense of certain business property in the first year it is acquired rather than over the life of the property. The qualifying property usually includes off-the-shelf computer software used during the tax year.

Generally, in order to be immediately written off, the property must be property the taxpayer owns, be used in the taxpayer’s business activities, have a determinable useful life and be expected to last more than a year.

Through Microsoft Financing and Section 179, businesses may be able to purchase an entire package of updated software, hardware and services through flexible payments and realize immediate tax benefits for a portion of those purchases.

Creative payment structures offered through Microsoft Financing could help customers get the tax benefits of acquiring the software one year while spreading the cost over a longer time period. As a result, customers may be able to escalate their plans to update business software and benefit from writing off that software when they file their taxes.

“By financing a new system today, they can acquire the new system with the dollars spent maintaining their old system and actually lower their IT costs,” says Microsoft partner Kevin McCarthy, the Vice President of Afinety, a Microsoft Gold Certified Partner.

Typically, if businesses acquire property that is expected to last longer than a year, owners cannot deduct the entire cost as a business expense in the year it is acquired. Instead, they must depreciate the cost over the property’s useful life.

The IRS added off-the-shelf software to the list of property eligible for the write-off in 2003 – augmenting the machinery and equipment that already qualified for the Section 179 deduction.

Talk to your tax advisor today to explore whether your business is able to take advantage of Section 179.

To learn more about Microsoft Financing, visit: [www.microsoftfinancing.com/ContactUs.aspx](http://www.microsoftfinancing.com/ContactUs.aspx)

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**Created November 2007**